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Co-operation

Procedure regarding the preparation of property statements of rural co-operative societies.

* 729 *Q.*—Mr. G. Rameswara Rao: Will the Hon. the Minister for Public Works be pleased to state—

(*a*) who the officer or authority required to prepare property statements of rural co-operative societies is;

(*b*) whether there is any higher authority that checks them or scrutinizes them at any time;

(*c*) whether the Registrar (or his subordinates) takes these statements as a basis for fixing the maximum borrowing power of the societies concerned;

(*d*) who the authority is who fixes the maximum borrowing power of a society and whether the property statement of the members of the society is a factor in fixing the maximum borrowing power of the society;

(*e*) whether the said statements include the total of debts including interest up to date of the members of the said societies;

(*f*) whether only the principal of the debts due—either to the society or the other creditors—is shown in the said statements and all the interest is omitted; and

(*g*) if the answer to clause (*f*) is in the affirmative, whether there are any steps contemplated to change that practice, so that a correct estimate of the net assets of the members may be available, before the loan applications of such societies are dealt with by the financing banks?

A.—(*a*) & (*b*) Under rule V of the rules issued under the Madras Co-operative Societies Act, 1932, rural co-operative societies with unlimited liability are required to maintain a property statement of their members. The officers of the society prepare it and it is passed at a meeting of the general body. The union supervisor usually helps in the preparation and the revision of these statements every year. The departmental auditor test-checks the property statement at the time of the final audit of the society.

(*c*) & (*d*) Yes. The Registrar (the Deputy Registrar).

(*e*) & (*f*) The debts due by the members to the society and other creditors *exclusive of interest dues* are shown in the statement.

(*g*) No. The maximum borrowing power of a society is fixed at a figure not exceeding one-eighth of the net assets as exhibited in the property statement. No change in this

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practice is contemplated. The property statement of the society is not the only factor taken into consideration before the financing bank grants a loan to a society. The general working of the society, its management, its past history and the repaying capacity of borrowers are all taken into consideration before loans are granted.

Mr. G. Rameswara Rao:—" May I remind the Hon. Minister that what was in my mind when I put the question was that a circular was issued by the Registrar in 1928 or so that all debts inclusive of interest due up to date must be shown? May I ask whether it is ignored in actual practice or whether any steps are taken to enforce that circular? "

The Hon. Mr. P. T. Rajan:—" I am not aware of it; as my hon. Friend has now brought it to my notice, I am prepared to look into the matter."

Mr. C. R. Parthasarathi Ayyangar:—" May I know whether any steps are taken every year to check the solvency of persons, with reference to the statement furnished? "

The Hon. Mr. P. T. Rajan:—" Every year the statement is revised."

Mr. C. R. Parthasarathi Ayyangar:—" May I ask whether it is carried out in practice or whether it merely exists on paper? "

The Hon. Mr. P. T. Rajan:—" I do not think it is not done in the proper way. Every year the officer concerned revises the statement."

Veterinary

Cattle mortality in North Arcot due to rinderpest and other diseases.

* 730 *Q.*—Mr. M. A. Manikkavelu Nayakar: Will the Hon. the Minister for Public Works be pleased to state the number of cattle destroyed by rinderpest and other diseases in the North Arcot district every year during the last five years?

A.—The attention of the hon. Member is invited to Appendix I of the Annual Administration Report of the Madras Civil Veterinary department for the last five years.

Education

Principles governing the allotment of grants to district boards for the construction of secondary school buildings.

* 731 *Q.*—Mr. K. A. Nachiyappa Gounder: Will the Hon. the Minister for Education and Excise be pleased to state—

(*a*) what the conditions are under which local bodies are allowed grants for the construction of secondary school buildings;